

No. 12554

2644

United States
Court of Appeals
For the Ninth Circuit.

THOMAS G. CHAMBERLAIN and CENTRAL
HANOVER BANK & TRUST COMPANY as
Successor Trustees Under the Last Will and
Testament of Samuel L. Clemens, deceased,
MARK TWAIN COMPANY and CLARA
CLEMENS SAMOSSOUD,

Appellants,

vs.

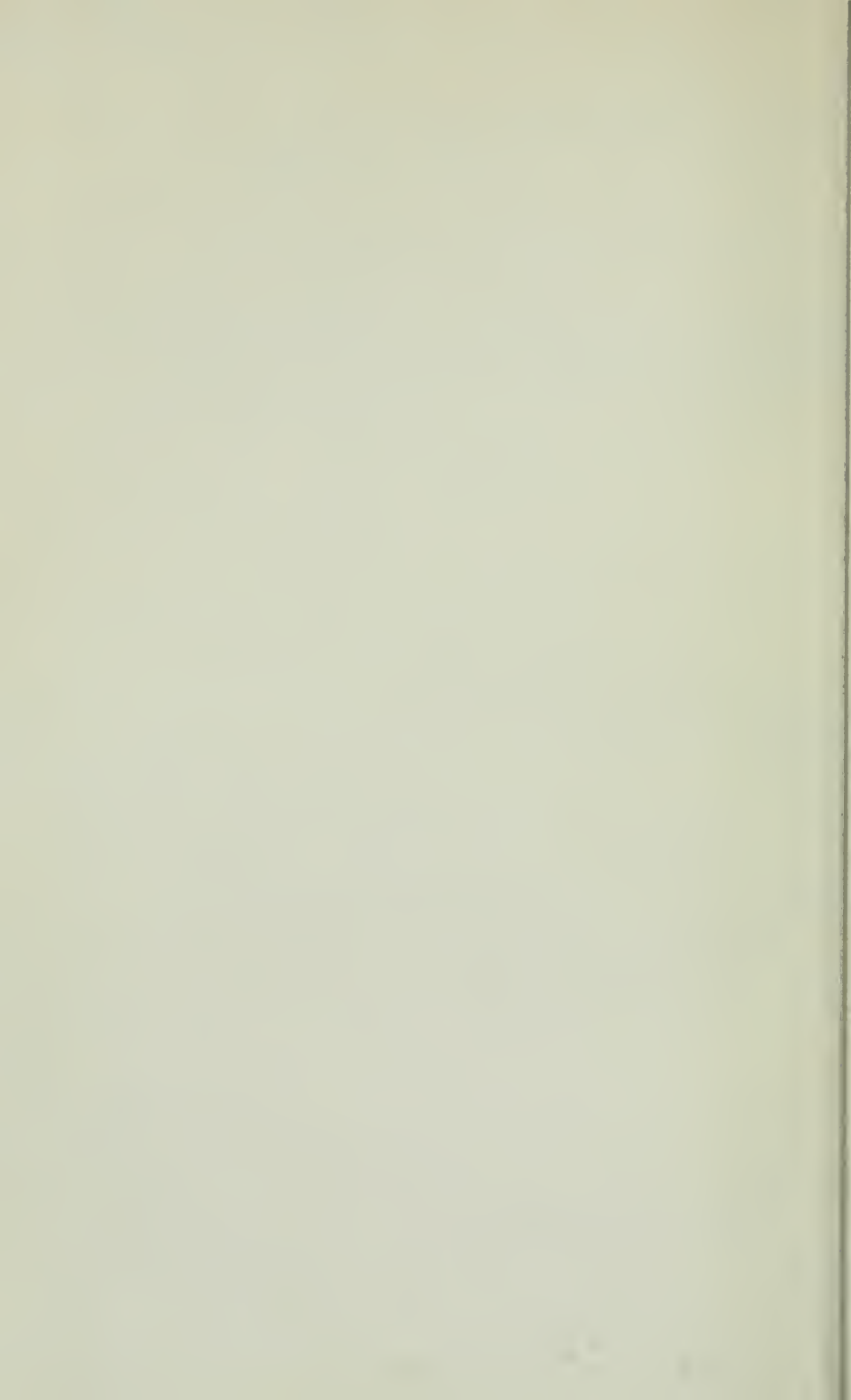
COLUMBIA PICTURES CORPORATION,

Appellee.

Transcript of Record

Appeal from the United States District Court,
Southern District of California,
Central Division.

FILED
JUL 24 1950



No. 12554

United States
Court of Appeals
For the Ninth Circuit.

THOMAS G. CHAMBERLAIN and CENTRAL
HANOVER BANK & TRUST COMPANY as
Successor Trustees Under the Last Will and
Testament of Samuel L. Clemens, deceased,
MARK TWAIN COMPANY and CLARA
CLEMENS SAMOSSOUD,

Appellants,


vs.

COLUMBIA PICTURES CORPORATION,

Appellee.

Transcript of Record

Appeal from the United States District Court,
Southern District of California,
Central Division.



Digitized by the Internet Archive
in 2010 with funding from
Public.Resource.Org and Law.Gov

INDEX

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in *italic*; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in *italic* the two words between which the omission seems to occur.]

	PAGE
Amended Complaint for Injunction, Unfair Competition and for An Accounting and Damages	2
Certificate of Clerk.....	58
Names and Addresses of Attorneys.....	1
Notice of Appeal.....	24
Notice by Clerk of Entry of Judgment.....	23
Notice of Motions to Dismiss and to Strike From Amended Complaint and Memorandum of Points and Authorities.....	17
Order of Dismissal.....	21
Points on Which Appellants Intend to Rely and Designation of Record.....	60
Reporter's Transcript of Proceedings.....	25



NAMES AND ADDRESSES OF ATTORNEYS

For Appellants:

HARRY E. SOKOLOV,
6253 Hollywood Blvd.,
Los Angeles 28, Calif.

For Appellee:

MITCHELL, SILBERBERG & KNUPP,
603 Roosevelt Bldg.,
Los Angeles 14, Calif.

In the District Court of the United States, Southern
District of California, Central Division

No. 10535-C

THOMAS G. CHAMBERLAIN and CENTRAL
HANOVER BANK & TRUST COMPANY as
Successor Trustees Under the Last Will and Tes-
tament of Samuel L. Clemens, Deceased, MARK
TWAIN COMPANY, and CLARA CLEMENS
SAMOSSOUD,

Plaintiffs,

vs.

COLUMBIA PICTURES CORPORATION, a Cor-
poration, DOE ONE, DOE TWO and DOE
ONE CORPORATION,

Defendants.

AMENDED COMPLAINT FOR INJUNCTION,
UNFAIR COMPETITION AND FOR AN AC-
COUNTING AND DAMAGES

Come now the plaintiffs, and for cause of action
against the defendants, allege as follows, to wit.

I.

That the plaintiffs, Thomas G. Chamberlain and
Central Hanover Bank & Trust Company, are suc-
cessor trustees under the Last Will and Testament
of Samuel L. Clemens, deceased (Mark Twain).
That plaintiff Mark Twain Company is a corpora-
tion organized by Samuel L. Clemens during his
lifetime, for the purpose of engaging in the busi-

ness of exploiting and publishing the literary property written by him, and for the further purpose of development of the name "Mark Twain" and the literary works of Samuel L. Clemens (Mark Twain).

II.

That under the Last Will and Testament of Samuel L. Clemens, deceased (Mark Twain), any and all rights in and to literary material written by him during his lifetime, whether published or unpublished, and which he possessed at the time of his death, as well as all of the stock of the Mark Twain Corporation as aforementioned, were placed in a trust.

III.

That the trustees named and designated in the Last Will and Testament as the trustees for the trust created by said Will, succeeded to any and all rights which the said Samuel L. Clemens, deceased, had in all literary properties written by him, at the time of his death.

IV.

That the plaintiffs Thomas G. Chamberlain and Central Hanover Bank & Trust Company are the successor trustees of the trust aforementioned created under the Last Will and Testament of Samuel L. Clemens, deceased, and are now, and at all times herein mentioned were, the sole owners of all of the stock, and own and control the said Mark Twain Company, and are now, and at all times herein mentioned were, the sole owners of the

literary properties and the rights in and to said literary properties possessed by Samuel L. Clemens (Mark Twain) at the time of his death.

V.

That the plaintiff Clara Clemens Samossoud is the daughter and sole heir of the deceased Samuel L. Clemens (Mark Twain), and is named in the Last Will and Testament of Samuel L. Clemens, deceased, as the sole income beneficiary of the trust created under the Will during the life of the trust, and will, by the terms of the Will, after the expiration of the trust, succeed to all of the rights in and to the literary property of Samuel L. Clemens, aforementioned.

VI.

That the defendant Columbia Pictures Corporation is a corporation producing, distributing and exhibiting motion picture photoplays.

VII.

That plaintiffs are not aware of the true names or capacities, whether individual, corporate, associate, or otherwise, of defendants Doe One, Doe Two and Doe One Corporation, and therefore sue said defendants by such fictitious names, and leave of court will be asked to amend this complaint to show their true names and capacities when same have been ascertained.

VIII.

That Samuel L. Clemens, deceased (Mark Twain)

during his lifetime, and for approximately fifty years prior to his death in 1910, was an author and writer by profession; that he had been in the habit for said time of publishing articles, sketches, books and other literary matter composed by him for publication under the name assumed by him to designate himself as the author and writer of such articles, sketches, books and other literary matter, of "Mark Twain"; that the said designation of "Mark Twain" had been by said decedent Samuel L. Clemens used by him during said time aforementioned as his nom de plume or trademark as an author.

IX.

That said writings under the designation of "Mark Twain" have acquired great popularity and met with ready and continuous sale, and presently are recognized as very important, reputable literary works of quality, style and content, and plaintiffs have for some time in the past, and are presently engaged in the business of exploiting and publishing the aforesaid literary works as the literary works of Mark Twain and are deriving substantial income from the sale and licensing of the said literary works of the deceased Samuel L. Clemens (Mark Twain).

X.

That the name and mark of Mark Twain has been substantially, exclusively and continuously used in connection with the literary works of Samuel L. Clemens by Samuel L. Clemens, deceased, during his lifetime and subsequent to his death in 1910, by

plaintiffs who succeeded to the rights in said literary properties, and said mark and name has become distinctive and indicates in the literary market throughout the world only the literary works and writings of Samuel L. Clemens, deceased.

XI.

That within the past several years the plaintiffs have registered the name "Mark Twain" as a trademark in all states and with the United States Government, and in recent years, the plaintiffs have licensed the use of the name "Mark Twain" for literary products and for commercial purposes in connection with non-literary products.

XII.

That at the time of the death of Samuel L. Clemens (Mark Twain), deceased, in the year 1910, most of his literary properties were fully protected by copyright, and were placed in a trust with his Will along with other property. The income from this was, by the Last Will and Testament of Samuel L. Clemens, deceased, bequeathed to his daughter, the plaintiff herein, Clara Clemens Samossoud.

XIII.

That with respect to a great many of the literary properties of Samuel L. Clemens (Mark Twain), deceased, full copyright protection exists in the United States as well as in many foreign countries.

XIV.

That with respect to the literary properties that are protected by copyright as aforesaid, the plaintiffs are the owners thereof, and have the sole and exclusive right to sell, license or otherwise deal with said literary properties.

XV.

That from time to time since the death of Samuel L. Clemens (Mark Twain), in 1910, plaintiffs have licensed or otherwise disposed of some of the rights in and to the aforesaid literary properties of the deceased, and still continue to so license or otherwise dispose of the rights in and to the aforesaid literary properties, resulting in substantial income to the plaintiffs and the Estate of Samuel L. Clemens (Mark Twain), deceased.

XVI.

That during his lifetime, Samuel L. Clemens (Mark Twain), deceased, composed and wrote a short story entitled, "The Celebrated Jumping Frog of Calaveras County." That said short story became and still is very popular, and has been at all times mentioned herein, and still is, identified by the reading public as one of the more famous of Mark Twain's literary properties, and has been known and recognized by the reading public as an outstanding example of the unusual literary style, wit, humor, talents and ability of Mark Twain and his literary writings.

XVII.

That during the year 1948, defendant, Columbia Pictures Corporation, produced and manufactured a motion picture photoplay entitled, "Best Man Wins." That subsequent to the production and manufacture of said motion picture photoplay during the year 1948, defendant has been and is presently continuing to cause said motion picture photoplay to be distributed, released, and exhibited in thousands of motion picture theatres throughout the United States.

XVIII.

That in connection with the production, distribution, release and exhibition of the said motion picture photoplay, "Best Man Wins," the defendant has advertised, publicized and exploited the aforesaid motion picture photoplay as either "One of Mark Twain's favorite stories," or "Based on the Mark Twain story, 'The Celebrated Jumping Frog of Calaveras County'," and that the defendant in connection with the advertising, publicizing and exploiting the motion picture photoplay aforementioned, entitled "Best Man Wins," has indicated or announced on the negative and on the prints of the film, "Best Man Wins" itself, that the said picture is based upon the Mark Twain story, "The Celebrated Jumping Frog of Calaveras County," and caused to be inserted in various newspapers, magazines, periodicals and motion picture trade papers and magazines, advertising and publicity in various words and phrases indicating that said motion pic-

ture photoplay, "Best Man Wins," is either based on a story written by Mark Twain entitled, "The Celebrated Jumping Frog of Calaveras County," or based on a story written by Mark Twain entitled, "Best Man Wins." For example, "Mark Twain's tale of a gamble in hearts!" which was advertised in the New York Daily Mirror, issue of October 8, 1948, Brooklyn edition, page 32; "Mark Twain's Favorite Story," advertised in the Courier Journal, Louisville, Kentucky, June 11, 1948, page 4, Section 2; "Mark Twain's Lovable Rogue, who would a wandering and a wooing go" (referring to the character in the picture of Smiley rather than the story), contained in advertising matter appearing in the front of the Orient Theatre, Jersey City, New Jersey, on September 16, 1948; "A Story only Mark Twain Could Tell," appearing on advertising matter in the front of the Orient Theatre September 16, 1948.

XIX

That during his lifetime, the said Samuel L. Clemens, deceased (Mark Twain), never wrote or composed any story or literary property entitled, "Best Man Wins."

XX.

That the famous story aforementioned, written by Samuel L. Clemens, entitled "The Celebrated Jumping Frog of Calaveras County," is a short story dealing with a single incident in the life of one Jim Smiley. Nothing in this story appears concerning Smiley's life or character, except that it is

pointed out that he would bet on anything. In the story, Jim Smiley owns a jumping frog called "Dan'l Webster," and he makes a bet with another man who produces another frog, as to which frog can jump the farthest. Jim Smiley loses the bet because the other man fills "Dan'l Webster" with buckshot so that he cannot jump, and the story ends with Jim Smiley chasing the other man after he finds out the trick that has been played upon him.

XXI.

In the motion picture photoplay produced, distributed, released and exhibited by the defendant as aforementioned, entitled "Best Man Wins," there is a flash at the outset that reads: "Based on the Mark Twain story, 'The Celebrated Jumping Frog of Calaveras County.' "

XXII.

The character Jim Smiley, who was the central character in Mark Twain's story, is also the central character of the motion picture, but the story itself, is completely different from the Mark Twain story, and actually, the incident which is the center of the Mark Twain story does not appear in the motion picture at all, although the jumping frog, "Dan'l Webster," appears throughout the movie. The frog does get filled with buckshot at the end of the movie, but the incident is entirely different from that set forth in the story by Mark Twain and Jim Smiley states that the buckshot trick was one he "learned in Calaveras County, California." The

motion picture tells a very common, ordinary, and what is commonly characterized in the motion picture theatrical industry as "corny" love story. Jim Smiley married the lady of the movie, had a son by her, then deserted her and never even wrote her a letter for about twelve years. Then he showed up again and made a hit with the boy, and later remarried the mother of the boy. During the absence of Jim Smiley, the mother had secured a divorce and had planned to marry another man. In the Mark Twain story there was nothing about the life of Jim Smiley, except that he was a natural born gambler, and would bet on anything, but in the motion picture photoplay, Jim Smiley turns out to be not only a gambler, but a wife deserter as well.

XXIII.

That the motion picture photoplay entitled "Best Man Wins" produced and exhibited by the defendant, is an inferior motion picture photoplay, falsely and untruelly representing that Samuel L. Clemens, deceased (Mark Twain), was the author or composer of the story upon which it is based.

XXIV.

That the defendant in producing the motion picture photoplay aforementioned, "Best Man Wins," deformed and mutilated the literary property of the deceased Mark Twain, entitled "The Celebrated Jumping Frog of Calaveras County," and has advertised, publicized, exploited, and announced to the general public at large that such deformed and

mutilated story was in fact the literary composition of Mark Twain, when in truth and in fact, such representations, announcements, publications and advertising were false and untrue, and the defendant well knew them to be false and untrue, and caused such announcements, advertising, publications and exploitation to be made for the sole purpose of deceiving the general public, for defendant's own personal profit and advantage, resulting in damage and injury to the plaintiffs and the property of the plaintiffs.

XXV.

That the defendant in deforming, mutilating and garbling the story of Mark Twain, "The Celebrated Jumping Frog of Calaveras County," in connection with the production and exhibition of the motion picture photoplay aforementioned, "Best Man Wins," and coupling same with a story which substantially is not the creation of Mark Twain, and by ascribing authorship to Mark Twain of the said story as used in the motion picture photoplay, has caused great and irreparable injury and damage to the name and reputation of Mark Twain and to property rights of the plaintiffs in the total sum of \$150,000.00.

For a Further and Second Cause of Action, Plaintiffs Complain and Allege as Follows:

I.

Incorporate herein by reference, paragraphs I, II, III, IV, V, VI, VII, VIII, IX, X, XI, XII,

XIII, XIV, XV, XVI, XVII, XVIII, XIX, XX, XXI, XXII, XXIII and XXIV of plaintiffs' first cause of action, and make the same a part hereof by reference as though repeated herein.

II.

That by reason of the acts and conduct of the defendant as aforementioned in connection with the production and exhibition and the advertising and publicizing of said motion picture photoplay as aforementioned, great damage has been suffered and irreparable injury has been sustained by the plaintiffs, in that the false, improper, misleading and reprehensible use by defendant of the work of Mark Twain, "The Celebrated Jumping Frog of Calaveras County," has depreciated the value of and the income from the literary works and property of Mark Twain as aforementioned, which are protected by copyright in the United States and certain foreign countries, all to the damage of the plaintiffs in the sum of \$150,000.00.

For a Further and Third Cause of Action, Plaintiffs Complain and Allege as Follows:

I.

Incorporate herein by reference, paragraphs I, II, III, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX, XX, XXI, XXII, XXIII and XXIV of plaintiffs' first cause of action, and make the same a part hereof by reference as though repeated herein.

II.

That by reason of the acts and conduct of the defendants aforementioned, in connection with the production, exhibition, advertising and publicizing of said motion picture photoplay as aforementioned, defendants became liable to the plaintiffs pursuant to the provisions of the Lanham Trademark Act of July 5, 1946, Stat. 427, incorporated in 15 U.S.C.A., Sections 1051-1127, and particularly Section 1125, subdivision (a) 15 U.S.C.A., which reads as follows:

“Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.”

III.

That by reason of the false description and false representations made by the defendant as hereinbefore alleged in this third cause of action, plaintiffs have been damaged in the sum of \$150,000.00. Wherefore, plaintiffs pray for relief as follows:

(1) That the defendant be enjoined from exhibiting the motion picture photoplay produced by it entitled, "Best Man Wins," until it removes from the negative and all positive prints thereof any reference to the fact that same is a Mark Twain story, or based upon a Mark Twain story, whether it be a reference to the Mark Twain story of "The Celebrated Jumping Frog of Calaveras County" or any other Mark Twain story.

(2) That the defendant be enjoined from advertising, publicizing, or otherwise exploiting the aforementioned motion picture photoplay produced and exhibited by the defendant, entitled, "Best Man Wins," in any newspapers, magazines, periodicals, motion picture trade papers or otherwise, that said motion picture photoplay is a Mark Twain story, or is based upon the Mark Twain story, "The Celebrated Jumping Frog of Calaveras County," or otherwise, and it be decreed and ordered that the defendant eliminate any and all reference to Mark Twain in connection with the motion picture photoplay, "Best Man Wins," and in connection with any advertising publicity, or exploitation in connection with such exhibition of said motion picture photoplay.

(3) For an accounting of the gross receipts and profits realized by defendant or any of its affiliated or subsidiary companies from the exhibition, release or other disposition of the aforesaid motion picture photoplay, "Best Man Wins."

(4) For damages in the sum of \$150,000.00 as set forth and claimed by virtue of the First Cause of Action.

(5) For damages in the sum of \$150,000.00 as set forth and claimed by virtue of the Second Cause of Action.

(6) For damages in the sum of \$150,000.00 as set forth and claimed by virtue of the Third Cause of Action.

(7) For costs of suit.

(8) For such other relief as to this Court may seem equitable in the premises.

/s/ HARRY E. SOKOLOV,
Attorney for Plaintiffs.

[Endorsed]: Filed December 16, 1949.

[Title of District Court and Cause.]

NOTICE OF MOTIONS TO DISMISS AND TO
STRIKE FROM AMENDED COMPLAINT
AND MEMORANDUM OF POINTS AND
AUTHORITIES

To Plaintiffs, Thomas G. Chamberlain and Central Hanover Bank & Trust Company as Successor Trustees under the Last Will and Testament of Samuel L. Clemens, Deceased, Mark Twain Company, and Clara Clemens Samossoud, and to Harry E. Sokolov, Esquire, Attorney for Plaintiffs:

Please Take Notice that on the 30th day of January, 1950, at the hour of 2:00 o'clock p.m., of said day, in the court room of the Honorable James M. Carter, United States Post Office and Court House Building, Los Angeles, California, the undersigned defendant will move the Court as follows:

I, To dismiss the amended complaint on file herein on the ground that it fails to state a claim upon which relief can be granted and upon the further ground that the above-entitled Court is without jurisdiction over the subject matter.

II. To dismiss the first alleged cause of action of the amended complaint on file herein on the ground that it fails to state a claim upon which relief can be granted and upon the further ground that the above-entitled Court is without jurisdiction over the subject matter.

III. To dismiss the second alleged cause of action of the amended complaint on file herein on the ground that it fails to state a claim upon which relief can be granted and upon the further ground that the above-entitled Court is without jurisdiction over the subject matter.

IV. To dismiss the third alleged cause of action of the amended complaint on file herein on the ground that it fails to state a claim upon which relief can be granted and upon the further ground that the above-entitled Court is without jurisdiction over the subject matter.

V. To strike from the amended complaint each of the following portions thereof, upon the ground that each of said portions is immaterial and impertinent.

A. All of paragraph X (page 4) reading as follows:

“That the name and mark of Mark Twain has been substantially, exclusively and continuously used in connection with the literary works of Samuel L. Clemens by Samuel L. Clemens, deceased, during his lifetime and subsequent to his death in 1910, by plaintiffs who succeeded to the rights in said literary properties, and said mark and name has become distinctive and indicates in the literary market throughout the world only the literary works and writings of Samuel L. Clemens, deceased.”

B. That portion of paragraph XI (page 4, lines 11-13), reading as follows:

“That within the past several years the plaintiffs have registered the name ‘Mark Twain’ as a trademark in all states and with the United States Government, . . .”

C. That portion of paragraph XI (page 4, lines 13-16), reading as follows:

“ . . . and in recent years, the plaintiffs have licensed the use of the name ‘Mark Twain’ for literary products and for commercial purposes in connection with non-literary products.”

D. That portion of paragraph XII (page 4, line 20), reading as follows:

“ . . . were fully protected by copyright, . . .”

E. All of paragraph XIII (page 4, lines 26-29), reading as follows:

“That with respect to a great many of the literary properties of Samuel L. Clemens (Mark Twain), deceased, full copyright protection exists in the United States as well as in many foreign countries.”

F. All of paragraph XIV (pages 4-5, lines 31-2), reading as follows:

“That with respect to the literary properties that are protected by copyright as aforesaid, the plaintiffs are the owners thereof, and have the sole and exclusive right to sell, license or otherwise deal with said literary properties.”

G. That portion of paragraph XXII (page 7, lines 20-21), reading as follows:

“... but the story itself, is completely different from the Mark Twain story, ...”

H. That portion of paragraph XXII (page 7, lines 25-26), reading as follows:

“... but the incident is entirely different from that set forth in the story by Mark Twain ...”

I. That portion of paragraph XXII (page 7, lines 27-30), reading as follows:

“... The motion picture tells a very common, ordinary, and what is commonly characterized in the motion picture theatrical industry as ‘corny’ love story ...”

J. All of paragraph XXIII (page 8, lines 9-13), reading as follows:

“That the motion picture photoplay entitled, ‘Best Man Wins,’ produced and exhibited by the defendant, is an inferior motion picture photoplay, falsely and untruelly representing that Samuel L. Clemens, deceased (Mark Twain), was the author or composer of the story upon which it is based.”

K. That portion of paragraph XXV (page 9, lines 5-6), reading as follows:

“... in the total sum of \$150,000.00.”

L. That portion of paragraph II of the second cause of action, (page 9, line 26), reading as follows:

“... in the sum of \$150,000.00.”

M. That portion of paragraph III of the third cause of action, (page 10, lines 30-31), reading as follows:

“ . . . in the sum of \$150,000.00.”

Said motions will be based upon the amended complaint on file herein, upon this Notice of Motion and upon the Memorandum of Points and Authorities attached hereto and upon all papers, records and pleadings heretofore had herein.

MITCHELL, SILBERBERG &
KNUPP and
LEONARD A. KAUFMAN.

By /s/ LEONARD A. KAUFMAN.

[Endorsed]: Filed January 5, 1950.

[Title of District Court and Cause.]

ORDER OF DISMISSAL

The above action having come on regularly to be heard on January 30, 1950, upon the motions of defendant Columbia Pictures Corporation, to dismiss said action, and the Court having heard the argument of counsel and being fully advised in the premises, does hereby find that said motions should be granted upon the ground and for the reason that the amended complaint herein fails to state a claim upon which relief can be granted.

Said defendant's motions to dismiss said action

and each alleged cause of action thereof upon the ground of lack of jurisdiction over the subject matter, are denied.

Wherefore, it is ordered, adjudged and decreed, that said action be, and the same hereby is dismissed.

Dated: This 7th day of February, 1950.

/s/ JAMES M. CARTER,
District Judge.

Approved as to Form:

/s/ HARRY E. SOKOLOV,
Attorney for Plaintiffs, Thomas G. Chamberlain and
Central Hanover Bank & Trust Company as
Successor Trustees under the Last Will and
Testament of Samuel L. Clemens, Deceased,
Mark Twain Company, and Clara Clemens
Samossoud.

Dismissal entered Feb. 8, 1950.

[Endorsed]: Filed February 7, 1950.

[Title of Court.]

NOTICE BY CLERK OF ENTRY
OF JUDGMENT

Harry E. Sokolov, Esq.,
528 Equitable Bldg.,
Los Angeles 28, Calif.

Mitchell, Silberberg & Knupp, Esq.,
603 Roosevelt Building,
Los Angeles 14, Calif.

Re: Chamberlain et al, v. Columbia Pictures
et al, No. 10535-C.

You are hereby notified that Order of Dismissal
has been entered this day in the above-entitled case,
in Judgment Book No. 63, page 631.

Dated: Los Angeles, California, February 8,
1950.

EDMUND L. SMITH,
Clerk.

By C. A. SIMMONS,
Deputy Clerk.

[Title of District Court and Cause.]

NOTICE OF APPEAL

To the Clerk of the Above-Entitled Court and to Defendant Columbia Pictures Corporation and Their Attorneys Mitchell, Silberberg & Knupp:

Notice Is Hereby Given that Thomas G. Chamberlain and Central Hanover Bank & Trust Company as successor Trustees under the Last Will and Testament of Samuel L. Clemens, Deceased, Mark Twain Company and Clara Clemens Samossoud, plaintiffs above named, hereby appeal to the United States Circuit Court of Appeals for the 9th Circuit, from the Order of Dismissal of plaintiffs' Amended Complaint, which was granted upon the ground and for the reason that the Amended Complaint fails to state a claim upon which relief can be granted.

/s/ HARRY E. SOKOLOV,
Attorney for Plaintiffs.

Affidavit of Service by Mail attached.

[Endorsed]. Filed March 6, 1950.

In the United States District Court, Southern
District of California, Central Division

No. 10535-C Civil

THOMAS G. CHAMBERLAIN and CENTRAL
HANOVER BANK & TRUST COMPANY
as Successor Trustees Under the Last Will and
Testament of Samuel L. Clemens, Deceased,
MARK TWAIN COMPANY, and CLARA
CLEMENS SAMOSSOUD,

Plaintiffs,

vs.

COLUMBIA PICTURES CORPORATION, a
Corporation, DOE ONE, DOE TWO and DOE
ONE CORPORATION,

Defendants.

Honorable James M. Carter,
Judge Presiding.

REPORTER'S TRANSCRIPT
OF PROCEEDINGS

Appearances:

For the Plaintiffs:

HARRY E. SOKOLOV, Esq.

For the Defendant Columbia Pictures Corpora-
tion:

MITCHELL, SILBERBERG & KNUPP,

By LEONARD A. KAUFMAN, Esq.

Monday, January 30, 1950

The Clerk: No. 10535-C, Civil, Thomas G. Chamberlain v. Columbia Pictures Corporation. Motions of defendant to dismiss or to strike.

Mr. Sokolov: Ready.

The Court: Counsel, I have read all the briefs. I have read the opening brief and the reply brief and the closing brief.

I think we might save time if we let Mr. Sokolov start, and then give you such time as you want or need, Mr. Kaufman.

Mr. Kaufman: Very well.

The Court: I don't want to preempt your right to argue, but I thought you might be interested in knowing what reactions I have to this case after reading these briefs over and reading your complaint. It might assist you in the argument if I told you something about what I was thinking.

Mr. Sokolov: I would appreciate it, your Honor.

The Court: Otherwise, you may be arguing matters on which I am in agreement and those that would not require any argument.

I don't want to pass on this until I hear some argument, but as I read the briefs over—and obviously I didn't have a chance to look at all these cases you have cited, but you have done a very excellent job in presenting your respective [2*] positions by the briefs—as I read them over and got through reading defendants' opening brief and then read yours, the thought occurred to me that this

* Page numbering appearing at top of page of original Reporter's Transcript.

whole thing hinged on what was relatively a very simple matter. Apparently Mark Twain didn't copyright "The Jumping Frog of Calaveras County," whatever it was. By not copyrighting it and permitting it to be published it became part of the public domain. It belonged to everybody, it belonged to me and it belonged to you, and the thought occurred to me how can the plaintiff assert an exclusive right to that, assuming for argument some of your contentions as to trade-mark. Then when I read defendant's reply brief I see that he took the same position and developed it quite extensively.

I want to avoid attaching undue significance to that point for the reason that I am cognizant of how human nature works. Having gotten an idea and then the defendant coming along and taking the same position, I don't want to attach undue significance to that particular point. But it seems to me that that runs through the entire case. In other words, if your contention is correct—I am referring specifically now to what you argue on about page 8 of your opening brief, plaintiff's brief, referring to lines 17 to 28, your paragraph XII—if your point is good, then any time anybody published "The Jumping Frog of Calaveras County," with the name Mark Twain on it, you could restrain them. If I got up [3] before a literary society and said, "An ad was put out on such-and-such a date that Carter will read 'The Jumping Frog of Calaveras County,' by Mark Twain," bingo, you could come and get an injunction because I used the name "Mark Twain."

You obviously can't do that. That story and the name with the story belongs to the public. How, then, can you assert any exclusive right?

I go along with your brief on your cases distinguishing between situations where there is palming off and competition or situations on confusion. It seems to me that you logically make a good point that the rule is broader and that in certain cases restraint will be granted, injunctions will be granted, where there is confusion, even though there isn't actual competition of one product with another. But you still fall back upon the point that in those cases the plaintiff had an exclusive right.

Let's take another situation. Take your WOR case. There you had more of an exclusive right. WOR started out and took the symbols WOR, and there was in the public domain no right to use WOR. Until WOR came along and pioneered it and spent money on building up that station it wasn't known, so when the printer went into business with WOR the court granted the station an injunction. There was an infringement upon a right which a fellow had spent money to build up and which he owned exclusively. [4]

Now, it seems to me that that is the answer to this case, and I would like to have you direct your argument to convincing me that I am wrong there. In other words, assuming, as you have to, that the story is in the public domain, how can you enjoin the studio from coming along and making some reference to that story, even an erroneous one, even

one which goes beyond the story that Mark Twain wrote, even one that if Mark Twain was alive he might stand up and pull his hair about, or as dead he may turn over in his grave about? Now, you have to take the burden of showing me how you get around that point.

Mr. Sokolov: I shall attempt to, your Honor. I know that that is a rather tough point and strong point that I have to overcome. I realized it when I filed the law suit and filed these briefs.

In answer I would say this, if your Honor please: Taking this WOR case there is no question that this radio station had the exclusive right to that trademark or trade name WOR. I think the cases that I have cited in my brief where I point out the development of the law, I don't think there is any question now that this same radio station WOR could license this very man who established a cleaning place to use the initials WOR.

The Court: I will go along with you on that.

Mr. Sokolov: I still think if this same radio station [5] had licensed, in addition to this cleaning establishment, a half dozen other people to use the initials WOR in connection with their particular businesses, I think they had a perfect right to do that, and the remainder covering any other field was still the exclusive right of WOR. In other words, by the mere fact of having licensed one or two or several people to use those initials WOR in connection with their business, they did not by that action divest themselves of the exclusive right to

still license, control and assign those initials, because it belonged to them.

I say this, and I don't know whether the court will go along with me on it, but I think it is logical: I think we have the same situation in the case of property getting in to what we call public domain. Here we have the example I stated to you, we have the exclusive owner of WOR actually licensing or transferring or assigning it to other people in connection with their businesses. Here we don't have that, but we have that license given by the law. In other words, the law says—and I think that is all that the Clemens case cited by defendant in its brief holds, it doesn't go beyond it: that once an author has permitted his property, either by way of failing to publish it or permitting it to—I want to change my statement.

The Court: Publish without copyrighting it.

Mr. Sokolov: Yes, or the copyright protection has [6] expired by reason of lapse of time or the period for which the law gives it protection, it comes into the public domain, the law says that anybody can use it, you, or I, or anybody that has a desire to, can use it. And I say that is comparable to the licensing of it by the original owner of the station WOR. The law has stepped in here and has in effect permitted the license of it. That does not, however, divest the original owner of that same trade-mark with respect to property that he still owns. So I say I think it answers your Honor's argument.

We have this trade-mark—I am not at this mo-

ment, because I don't think the court wants to hear it at this time, going into the question of whether it is a valid trade-mark or whether it was properly registered, or all the other arguments counsel has raised as to its invalidity, but we are assuming for the moment that it is a valid trade-mark, that the estate of Clemens or the successors to the estate of Clemens had a right to register it and it is a valid trade-mark. And I say that if it is a valid trade-mark with respect to property that they still own, and it is still their exclusive property and cannot get into what we call public domain, the law gives it continued protection on the remainder or what has been reserved to them, despite the fact that the law now says, with respect to this particular property, "The Jumping Frog of Calaveras County," which is in [7] the public domain, "We won't give you any protection with respect to the trade-mark or trade name of Mark Twain."

The Court: Let me ask a question right there in trying to follow along: Supposing that Columbia Pictures instead of making the picture, "The Best Man Wins," had made a picture and called it "The Jumping Frog of Calaveras County," by Mark Twain, and it limited the story exactly to the elements of the story written by Mark Twain, maybe a short——

Mr. Sokolov: I don't think I would have a chance in filing a law suit.

The Court: You concede that?

Mr. Sokolov: Yes.

The Court: Now, what have they done? They have taken a part of the short story and they enlarged upon it and put a love interest in it and made a different story, still maintaining something about the frog and the buckshot and the name of the principal characters and a few things. In other words, most of the Mark Twain story was there, but it has been enlarged upon and they put a different emphasis upon a part of the story. They have given it a different name. Being in the public domain, you probably would concede that if they used the same story, instead of calling it "The Jumping Frog," they could have called it "The Saga of James Smile," or what was his name?

Mr. Kaufman: James Smiley. [8]

The Court: Supposing they just used a different name, do you contend you would have a law suit?

Mr. Sokolov: Except I don't go along with your Honor that in this case they took the story of "The Jumping Frog" and enlarged it or made some modifications. Our contention is that what they did had no bearing or resemblance or relationship to "The Jumping Frog of Calaveras County." They took a very small, minute incident in it, and I say from the factual standpoint it is not as your Honor has described it nor have I so alleged it. If they take a piece of property written by two strangers over there who have no literary worth or reputation in this or any other community, and they write a very mediocre literary product, and merely take a small incident from a famous writer like Mark Twain and

base a picture on that, and then try to palm off on the public that it is something that Mark Twain has written, the obvious reason for it is to get the benefit and the advantage of the name and reputation and the popularity and drawing power of Mark Twain. I say that is a wrong which we should be redressed for and compensated for.

The Court: Let's assume for argument, and just for argument now because I haven't seen it and all we have are these pleadings, that they wrote a "lousy" story, and let's assume for argument that they did all you said they did, they put a couple of hacks to write a story that doesn't sound [9] like the Mark Twain story, but they have written the name Mark Twain in and they are playing on his fame and popularity, and let's assume it is a wrong on the public, they are being defrauded, still the question exists, where is your plaintiff's cause of action.

As I get your theory it rests upon the ground that this trust has in substance claimed a trademark by the use of the words "Mark Twain," and have some copyrighted works, and also have other products on which you license this name, "Mark Twain." Your contention is bolstered by your cases on confusion as distinguished from outright competition.

Mr. Sokolov: That is right. And also——

The Court: But where is the cause of action?

Mr. Sokolov: The cause of action, I think—has your Honor referred to those cases such as the

Washboard cases and others where they say if a retailer buys a product from a manufacturer for resale and some third person misrepresents its own product as being the product of the manufacturer, that the retailer cannot sue and it is only a matter for the manufacturer to seek redress, are you referring to that specifically, your Honor? Because if you are, I think the answer to that is the language in the Lanham Act after the Washboard cases, and two or so other cases. The court in one of those cases—I don't know which one, it has been some time since I read them—specifically said that we think the public has [10] been imposed upon and it is a fraud upon the public, but we think it is not for the retailer to complain, nor has he got a cause of action, and is something that should be cured by Congress or by legislation. But I think it has been cured now by the Lanham Act, Section 1125, I think it is. This is Section 1125 of the Lanham Act, 15 U.S.C.A. This section gives any person a cause of action against one who misrepresents or who believes that he is or is liable to be damaged for the use of any such false description or misrepresentation.

I think that language was purposely put in the new Lanham Act to take care of the Washboard cases and the situations of that kind where now the same retailer would have a cause of action if he could prove that he is or he probably may be damaged by their false misrepresentation.

The Court: If your plaintiff was putting out

films and on the films was either putting the name "Mark Train" or going along with the broader construction of the law, using it in connection with the films even though it wasn't put on the films, that is one instance; or if your plaintiff was making a tricycle and calling it the Mark Twain tricycle, and this defendant was making some product in that field or any article that was something apart from a literary property, in either of those two instances you would come closer to stating a cause of action. But it is an awfully big jump for [11] me to see where you can say "We are claiming the trademark 'Mark Twain' and using it on other products, and we are using it in connection with some of the works we have copyrighted."

Now, the defendant takes a literary product that has not been copyrighted, mutilates it and deforms it and all that, but it is still in the field of literary property, and then you are contending that the plaintiff has a right to restrain him.

Mr. Sokolov: Because he says it is Mark Twain property. The defendant here, if it had only gone to the extent of saying, "based upon a Mark Twain property," I think it would be something that your Honor could safely say that I don't think that there is a cause of action. But as I have alleged here, they have gone beyond that and have advertised quite extensively, "A story only that Mark Twain could write," which is one of the ads that appeared in the newspapers, and which I have alleged in my complaint, or "Mark Twain's famous story."

I don't know what else a person could do to misrepresent and trade on someone else's property or name to establish a cause of action.

We have a lot of unpublished material which we intend to sell. Mark Twain has never published it, the estate has never published it. We intend to market it. Now we go and offer that to the open market and say, "We have a Mark Twain [12] property which we want to sell." The minute we mention "Mark Twain" irrespective of the content of the literary material, it has a certain definite value, just like you say, "A song written by Irving Berlin," and the same as you say, "A Hopalong Cassidy picture." Irrespective of the content of the picture it has a certain value that that same picture would not have if it was Joe Doakes' picture or if it was a song written by some unknown hack in, I forget the term they use, some alley in New York, yes, Tin Pan Alley. I say I think we can prove damages to the extent that if we say, "This is a Mark Twain property," and someone says, "I saw a Mark Twain story called 'Best Man Wins,' was that a lousy picture, I didn't think Mark Twain was capable of writing a piece of tripe like that," we can't say, "Mark Twain didn't write it." Oh, no, it was publicized all over the world, all over the country. And I think that the defendant has gone far beyond the license that a motion picture producing company or any author would have, or publisher would have, in trying to identify a certain product as being the product of someone

else, or based upon a very famous novel or very famous story.

I say if they had merely said, as they did in some of their advertisements, "Based upon Mark Twain's property, 'The Jumping Frog of Calaveras County,'" I think I would have a very difficult situation. But they didn't stop there. They [13] said, "'Best Man Wins,' Mark Twain's famous story, a story only Mark Twain could write."

The Court: You don't seriously argue that even if this is a bad picture it will dim Mark Twain's fame or his claim to mention in literary fame, do you?

Mr. Sokolov: No, but I claim it will depreciate the value of the literary property we have to sell. We are licensing the motion picture studios for Mark Twain's property that is not in the public domain, and we are getting very fancy prices, and I say those prices will not be forthcoming if they say they can write anything they want, all they have to do is get some small incident no matter how inconsequential and no matter how minute, of something written by Mark Twain, and if this court says there is no cause of action they can say, "The court has given us sanction to write any piece of tripe we want, just put in some line of literary property written by Mark Twain and say this is a Mark Twain property." I say we won't be able to sell our property to the motion picture studios, and I think we have a cause of action and I think we have been wronged and I think we can show it.

The Court: I was trying to think of some analogy. Supposing a musician wrote a very fine composition, but he didn't copyright it, so it was in the public domain, and to make it a little easier, let's assume he is alive. You have [14] another problem in this case, too——

Mr. Sokolov: May I interrupt, your Honor? I told counsel before the argument started on the question of moral rights here I will have to concede only for the reason that I am convinced that it is a personal right, otherwise I would not concede that we have no cause of action based on moral rights, simply because it is not the law in this country. It is the law in foreign countries, and some day sooner or later, I don't know whether your Honor will be the one to start it, but sooner or later someone will blaze a trail establishing moral rights in this country, despite the fact that judges and courts prior to this time in this country have not seen fit to blaze the trail.

The Court: You selected an awfully green judge to do any trail-blazing in a copyright and trademark matter.

Mr. Sokolov: Sometimes they are the best, and a lot of law has been made by a lot of so-called green judges.

The Court: Let me finish my analogy. A musician writes this piece of music and he is still alive, so your moral right exists, he doesn't copyright it, so some hack orchestra goes out and plays it, they play every note, but they do a "lousy" job of

playing it, and immediately the press picks up the performance and broad headlines proclaim what a terrible piece of music this was, and the writer of the music is still alive, would he have any cause of action against those [15] musicians for "butching" up his piece of music?

Mr. Sokolov: Your Honor, I just can't follow that analogy, because if someone came along and read Mark Twain's "Jumping Frog of Calaveras County," and read it in the most horrible manner that anyone is capable of reading anything, and butchered it up to the extent where a person couldn't understand one word of what he said, as long as it was "The Jumping Frog of Calaveras County," and in your example as long as it was the composition written by this famous musician, irrespective of how they rendered it, I don't think there would be a cause of action. But if they took that composition and only used one or two notes, or let's say one or two phrases of it, and then the entire rendition by this ham orchestra was music that this composer never would have dreamt of writing, I think we have a different situation.

The Court: I think maybe you have answered my example. There is a difference, I can see that, from your explanation. Of course, we don't reach that for the reason that you concede that you don't have a cause of action based upon this moral right.

Mr. Sokolov: Yes.

The Court: Unless this court wants to go ahead and, as you say, blaze a trail.

Mr. Sokolov: Yes. But I don't think the court can in [16] this instance, because I am not even going to impose that trouble on your Honor, because I am convinced that it is a personal right.

The Court: Your cause of action, as you see it, hinges largely on what we have been talking about, whether or not you have a copyright, having in mind the broad provisions of the Lanham Act?

Mr. Sokolov: That's right.

The Court: Well, you haven't persuaded me, counsel. I don't think you have it here.

Mr. Sokolov: I am sorry my client picked a lawyer who was not more persuasive than I am.

The Court: No, I think you pretty well squeezed the lemon dry in that brief. I think you did all you could with what you had to work with.

Let me ask this question. Are you content with this complaint? Does this complaint set forth your strongest cause of action that you think you can make?

Mr. Sokolov: I have to be honest with your Honor. I couldn't strengthen it any more. I may be able to change language, but as far as the essential allegations are concerned I have to be honest with your Honor that I couldn't strengthen it.

The Court: Rather than grant a motion to strike, which would merely butcher up the complaint, what I am [17] inclined to do is grant an overall motion on the thing, and if you have a cause of action, and the Circuit Court thinks you have you will be in a stronger position, then, to present it, will you not?

Mr. Sokolov: Your Honor, may I get one thing clear? Are you deciding on the basis that there is no valid trade-mark, or on the basis that there is no unfair competition, or both? The reason I am asking that is this: This case was originally filed in the State Court. There was a petition to remove, and the reasons given for removing it to the Federal Court were that it involved a question of United States trade-mark, and (2) that it involved certain questions of copyright. We are all aware of the fact that it does not involve any question of copyright in this complaint other than I recite we have certain copyrighted material which is being impaired by some action of the defendant. So it certainly could not have come into Federal Court based on my copyright allegations. The only basis in Federal Court would be on my allegations with respect to United States trade-mark.

The Court: Unless you get in under that, you are not in on unfair competition.

Mr. Sokolov: That is why I am asking these questions. If your Honor decides that it is not a valid trade-mark, or even though it was registered as a trade-mark it was not [18] capable of being a valid trade-mark by reason of it not being exclusive, or by reason of its being descriptive, or some of the other reasons advanced by counsel in his brief, the court has no jurisdiction and I orally make the motion to remand it back to the State Court.

The Court: I don't know where this is going to lead us, and you gentlemen can help us out on

it. My conclusion on the thing is that this matter of the trade-mark is the essence of the whole case, and you are not in court unless you have a cause of action on trade-mark. If you are in court on trade-mark, then you are in court on unfair competition. I don't think you are in court on trade-mark. And I base it largely on the fact that you have no exclusive right to the use of the name "Mark Twain" for the reason that in the public domain there is historic material with the name "Mark Twain" which belongs to everybody. Therefore, I distinguish between some of the cases you rely upon where there was obviously an exclusive right. That is my thinking about the thing. Where does that lead us?

Mr. Sokolov: I think it leads us right back to the essential point that the Federal Court has no jurisdiction, and therefore a motion to remand to the State Court is proper.

The Court: Your cause of action on unfair competition would be a proper cause of action in the State Court. [19]

Mr. Sokolov: Unquestionably.

The Court: What about your cause of action on trade-mark? You can't maintain that in the State Court, can you?

Mr. Sokolov: Not my federal registration. But we have that trade-mark registered in every state in the Union. I may either eliminate it or may merely confine my allegations to the fact that it is not a United States trade-mark. I will have to

eliminate it, that is all. But I still think we have a good cause of action in the State Court.

The Court: Your suggestion is that my order would be to hold that this court has no jurisdiction and that the case is therefore remanded to the State Court?

Mr. Sokolov: Yes.

The Court: What do you think of that, counsel?

Mr. Kaufman: Well, your Honor, I think the court has jurisdiction, in view of a few cases which I have run across. *Hurn v. Oursler*, for example——

The Court: I have that case in mind. What do you spell out of that case, by the way?

Mr. Kaufman: That was a copyright case, and they held if the Federal Court had jurisdiction of the copyright matter it also had jurisdiction of the common law unfair competition cause of action based on substantially the same facts.

That case was followed by another Supreme Court case, [20] the *Armstrong* case. *Armstrong*—the paint and varnish case, I forget the principal word in the title. I will give it to you in just a minute. That involved a trade-mark, as this does, and the court held that even though they ruled adversely to the plaintiff on the trade-mark aspect of it, they held that the plaintiff's trade-mark "Nu-Enamel" was descriptive and therefore not entitled to registration, but they held, nevertheless, plaintiff had alleged registration under the federal laws and therefore that is a federal question. Since it is a

federal question they retained jurisdiction over the unfair competition aspect based on substantially the same facts.

The Court: That Hurn v. Oursler case is going to wind up by being some kind of a leading case. We ran onto it in Bell v. Hood, a different kind of case entirely. Bell sued Dick Hood of the F.B.I. for allegedly falsely arresting this fellow Bell of Mankind United. Judge Jenney granted a motion of the United States who was defending Hood on the ground that the court had no jurisdiction. A direct appeal was taken to the Supreme Court and the Supreme Court reversed, citing Hurn v. Oursler and saying that the court had jurisdiction to determine whether or not a cause of action was stated. It is getting along close to what you are talking about. The case then came back, and, very frankly, I read that case Bell v. Hood a dozen times and read Hurn v. Oursler, and it is [21] hard to figure out what the Supreme Court is talking about. But when it came back before Judge Mathes we then made a motion to dismiss on the ground no cause of action was stated. Judge Mathes granted it.

Apparently Hurn v. Oursler and Bell v. Hood, which followed it, held that a court may have jurisdiction to, in substance, say it has no jurisdiction, and jurisdiction to say that facts sufficient have not been stated to bring the case within the court's jurisdiction

Mr. Kaufman: I don't think this court can possibly say it has jurisdiction of no cause of action.

It has jurisdiction, certainly, of the trade-mark cause of action, and must rule that a cause of action has not, in substance, been stated. But it is a federal question. We must distinguish between them. The court has jurisdiction if a substantial federal question has been stated.

The Court: It has jurisdiction to state that no cause of action has been stated.

Mr. Kaufman: That's right, I think that is the proper way to put it. And I think this court must say it has jurisdiction at least to that extent, and rule on the merits of the allegations with respect to trade-mark. Then I urge that *Hurn v. Oursler* and the *Armstrong* case, which really is more in point, gives this court jurisdiction over the unfair competition, and the court should rule on the merits of that [22] cause of action as well.

The Court: How does that affect the result? There are two different jurisdictions, State and Federal. Supposing this court holds that no cause of action has been stated in either of the causes of action, doesn't plaintiff still have his remedy in the State Court by refileing it?

Mr. Kaufman: I think not. I think if this court rules on both of them, on the merits, if this court says that plaintiffs have stated no cause of action for trade-mark and have stated no cause of action for unfair competition, that ends it. If he would file in the State Court thereafter, we would file a defense of *res judicata*, because the court has jurisdiction by virtue of the existence of a federal

question. If the court would just look at that Armstrong case, it is spelled out there with respect to trade-mark, very particularly.

The Court: Do you have the citation?

Mr. Kaufman: Do you have the Law Edition Series? It is 305 U. S. 350.

The Court: What do you think of that, Mr. Sokolov?

Mr. Sokolov: I am not familiar with the case, but I don't think counsel is correct. I don't think that your Honor has gone to the extent of saying that I have not made out a cause of action on unfair competition, particularly in view of the Lanham Act. I think your Honor has stated that [23] you don't think that there is a valid cause of action under the trade-mark title because my clients do not have the exclusive right to the name "Mark Twain." And if your Honor rules that this court has no jurisdiction because of the trade-mark allegations, it cannot entertain, according to counsel's own brief, the cause of action based on unfair competition, even though it states a valid cause of action on unfair competition, because unfair competition standing by itself, not coupled with a federal question, the court cannot entertain the so-called valid cause of action based on unfair competition. Not that the court has no jurisdiction——

The Court: There is another consideration, too, counsel, that we should keep in mind. That is, you were moved into the Federal Court against your will.

Mr. Sokolov: That is right.

The Court: You elected to sue in the State Court. The defendant brought you into the Federal Court on a removal. Is that right?

Mr. Kaufman: Yes.

The Court: Now, if you do have a cause of action in unfair competition in the State Court, certainly there should be some way that the door wouldn't be shut in your face because of the fact that he brought you into this forum.

Mr. Sokolov: He brought me in here saying that I have [24] alleged a trade-mark cause of action. He comes in here and says my trade-mark is no good, there is no jurisdiction in this court to entertain the trade-mark cause of action.

The Court: Then he wants to go further and say having got you into this court and having knocked you out on your trade-mark, you are knocked out on your unfair competition.

Mr. Sokolov: That is it.

The Court: If that is the result that is following, that looks to me a little unconscionable. What do you think about that, counsel?

Mr. Kaufman: Your Honor, I don't know. I was urging that the court not just shut the door in counsel's face, but rule on the merits of the unfair competition. But it may be that if this court remands, then plaintiff's right in the State Court would be merely to urge the unfair competition, leaving out any reference to the federal question, or else it would be subject to removal once more.

Mr. Sokolov: I guarantee you I will not raise any federal question.

The Court: Of course, counsel, your motion is in the alternative. You have made a motion to dismiss each cause of action both upon the ground of no jurisdiction and upon the ground that no claim has been stated.

Mr. Kaufman: That is right. There is no dispute, is there, your Honor, that this court will dispose of the trade-mark [25] cause of action on its merits?

The Court: Well, as I remember that *Hurn v. Oursler*, it is that we have jurisdiction to say that no cause of action is stated, whatever that means.

I was just looking at 1441 (c) of Title 28. It does not help us, probably, but it says:

“Whenever a separate and independent claim or cause of action, which would be removable if sued upon alone, is joined with one or more otherwise non-removable claims or causes of action,”——

that would be unfair competition——

“the entire case may be removed and the district court may determine all issues therein, or, in its discretion, may remand all matters not otherwise within its original jurisdiction.”

What does that last mean?

Mr. Kaufman: Would your Honor please read that portion again?

The Court: * * * the entire case may be removed

and the district court may determine all issues therein, or, in its discretion, may remand all matters not otherwise within its original jurisdiction."

Mr. Sokolov: This case would be to remand the unfair competition cause of action. [26]

Mr. Kaufman: Well, your Honor, I think the philosophy of permitting the court to hear the entire case is to prevent piecemeal litigation. In other words, if a man comes in here and states a cause of action for trade-mark or attempts to, he should also be heard on the merits as to the unfair competition which relates to the same facts. That was the holding in the Armstrong case very directly, that was the holding of the Hurn case in connection with copyright.

Mr. Sokolov: How do you reconcile that with the cases where the courts have held since there was no jurisdiction with respect to federal trade-mark, and the only thing left was unfair competition, and since you must have a federal question involved, then the whole case fell?

Mr. Kaufman: There are no such cases that I know of except two, and those were expressly overruled by the Hurn case.

The Court: The reviser's notes may give us some help here.

Mr. Kaufman: Is that 1441 (c) ?

The Court: Yes, under 1441.

"Rules 18, 20, and 23 of the Federal Rules of Civil Procedure permit the most liberal join-

der of parties, claims, and remedies in civil actions. Therefore, there will be no procedural difficulty occasioned by the removal of the entire action. Conversely, if the court so desires, it may remand to the State Court all non-removable matters.”

That is undoubtedly what they meant by that language in the latter part of 1441.

Mr. Kaufman: Your Honor, the question then boils down to should this court exercise its discretion by sending back the unfair competition aspects of this whole matter? And we urge that this court should not, but should rule on it here. Because if it were going back to the State Court and the State judge would hear exactly the same arguments, the same facts, it would be just repetitious of what we have gone through here. It seems to me this is an ideal case for retaining jurisdiction.

The Court: I conclude from three minutes’ study, which is not the way to make a conclusion, that what this means is that if there was jurisdiction in this court to rule on the trade-mark matter, there is also jurisdiction, if the court wants to exercise it, to rule on the unfair competition matter; or, in the alternative, it having been a non-removable matter this court may remand it to the State Court. It seems to me this court has that discretion.

Mr. Kaufman: I believe it has, and we are simply urging the court to exercise discretion in ruling on it here, because [28] it has heard the argument. The same questions exist as to both theories.

The Court: That would all be good if it were not for this situation I am talking about, where you bring the plaintiff into this court and stick his neck on the block and his head is chopped off on the one cause of action, and then you want to execute him on the second cause of action. He didn't choose this forum. That is the only thing that bothers me about it.

Of course, from the plaintiff's standpoint, I don't know but what you are just as well off with an appeal to the Circuit Court of Appeals as you would be to retry this in the State Court.

Mr. Sokolov: If your Honor please, I prefer——

The Court: In which event you could review in one cause the rulings on the two causes of action. If this is sent back piecemeal you would still have an appeal from my ruling on the trade-mark end of it. If you get tossed out in the State Court you would have to have a separate appeal on the unfair competition.

Mr. Sokolov: If your Honor please, I am in a position where I haven't any choice. I have had certain instructions from my clients. One of the plaintiff's attorneys here is a firm of attorneys, the other trustee is also represented by counsel who give me certain specific instructions. Frankly [29] they were adverse to this matter being removed to the Federal Court and have written me letter after letter trying to get it remanded to the State Court.

The Court: Do you make any objection to his oral motion for remand?

Mr. Kaufman: Yes, your Honor, we object to it.

The Court: I am talking merely about the form of it, the fact that it is made orally, rather than in writing?

Mr. Kaufman: No, we have no objection to the form.

The Court: The order of the court is going to be this: I hold that I have jurisdiction over the cause of action involving trade-mark, and on the basis of *Hurn v. Oursler* and *Bell v. Hood*, and the *Armstrong* case, I hold that no cause of action is stated on trade-mark.

I interpret Section 1441 and the Reviser's Notes to mean that I have discretion to remand to the State Court the non-removable cause of action on unfair competition. Your copyright cause of action is out, anyhow. Accordingly, I direct a remand of the cause of action on unfair competition to the State Court.

I am motivated by one other consideration besides Section 1441 and the Reviser's Notes thereto, and that is the matter that I have just mentioned, namely, that the plaintiff was brought into this court on removal proceedings through no act of his own, and that he had originally elected to file [30] his suit in the State Court; therefore I think he should have the chance to pursue his remedy on unfair competition in the State Court.

I also hold that the cause of action on copyright, whatever the number of it is, fails to state a cause of action.

You have three causes of action——

Mr. Sokolov: One on the so-called moral rights, one on unfair competition, and one on infringement of trade-mark.

The Court: I hold that the alleged cause of action on moral rights fails to state a cause of action.

Can we designate it for the clerk so that he will know? Which is your unfair competition cause of action, the third?

Mr. Sokolov. It is pretty hard. I have got it interwoven all the way through. I would rather the court wouldn't designate which particular cause of action.

The Court: We will not designate them by particular causes of action except as to the substance thereof.

Mr. Kaufman: Your Honor, before we adjourn may I be heard briefly on the question of how your discretion should be exercised?

The Court: Yes.

Mr. Kaufman: Section 1441(c), as you have read it, expressly contemplates a situation where a matter has been already removed from the State Court to the Federal Court. So in all cases coming up under Section 1441 the court has [31] jurisdiction—I mean the court has the choice of electing to keep it all or send part of it back, and in all of the cases coming up under that section the plaintiff has been deprived of the choice of forum which he exercised. That is contemplated every time a court must make a decision under 1441.

What I have in mind is your Honor giving as a ground for his decision the fact that plaintiff originally wanted to be in the State Court. The plaintiff wanted to be in the State Court in every case which comes up under 1441, so that is no reason for exercising the court's discretion one way or the other. It seems to me the real basis for exercising discretion is what is expedient, what would avoid repetition. In this case it is pointed up because the allegations relating to trade-mark and the allegations relating to unfair competition are in substance and in form so interwoven that you can't separate them, that is the type of thing that was contemplated in *Hurn v. Oursler* and the *Armstrong* case. If the court remands the unfair competition aspects of this case, I can't conceive of a single case where it should keep jurisdiction of the whole matter. Everything points——

The Court: There is a lot of logic to your argument. The distinction between the cases that fall under the *Hurn v. Oursler* rule and the other cases are those, on the one hand, where the same set of facts is relied upon, really, for [32] two separate causes of action, and in the second category is the case where you have one cause of action on which there is federal jurisdiction and another cause of action which tags along and can be heard by this court because it does have jurisdiction of the first, but which second cause of action is not a part of nor inseparable from the first cause of action. Is that right?

Mr. Kaufman: That is right. And in this case they are inseparable, because the same acts which we are accused of doing constitute plaintiffs' cause of action for violation of trade-mark and also for unfair competition.

The Court: I will tell you, since you make objection I am going to read those cases further. I am going to reread the *Hurn v. Oursler* case and study this note a little bit further, and instead of making a three-minute decision I will see what should be done.

Mr. Kaufman: I might point out one more thing. In connection with 1338(b), which I refer to where they stated the court shall have jurisdiction of unfair competition when joined with a cause of action for trade-mark, 1338(b) of Title 28, the Reviser's Notes indicate the purpose which should guide a court by pointing out that we want to avoid piecemeal litigation, we don't want to hear the same thing partly here and partly in the State Court.

Mr. Sokolov: We haven't gone into the merits of unfair [33] competition. You keep saying that you will hear this thing piecemeal. The court has only ruled on the question of jurisdiction.

The Court: I am going to set aside the order I made with the one exception: I hold that no cause of action is stated on trade-mark, and the court has jurisdiction to so determine. That is all I hold presently. The rest of it I will take under submission and decide after I read the notes and the cases.

The Clerk: Are you staying the entry of formal order on that?

The Court: Yes, I am just indicating that part of my ruling, and I will give you a minute order after I read these cases.

Mr. Sokolov: I wish to make one statement, if your Honor please. I don't think it is quite accurate when counsel says that I will have to rely on the same set of facts to establish my unfair competition cause of action as I did on the trade-mark. I think I can safely establish my unfair competition cause of action without any basis or relationship to whether or not we have a trade-mark on "Mark Twain." To that extent I think it differs from the cases that counsel has cited.

Mr. Kaufman: I have no dispute with what you said, but whether or not you have a trade-mark is a legal question. I [34] am talking of the facts.

Mr. Sokolov: I won't have to rely on "Mark Twain" in my unfair competition.

Mr. Kaufman: But you accuse us of making certain representations. Those representations are the only ones that you can rely on, because they are the only ones you have pleaded.

Mr. Sokolov: That is right.

Mr. Kaufman: They are alleged both to violate the trade-mark and to constitute unfair competition. In that sense the only acts we did violate two rights which you claim to have, one in trade-mark and one in unfair competition. As the Supreme Court said, it is just two different epithets for the same wrong.

The Court: All right. The matter will be taken under submission.

Mr. Kaufman: Your Honor, I served counsel with a supplemental memorandum of just one case which summarizes a lot of the cases I set forth in my brief, and I think it would be helpful if I may file it.

The Court: You may file it with the clerk.

Mr. Sokolov: I wish to thank your Honor for your consideration. I know it is an unusual and rather difficult problem.

The Court: Thanks for your very exhaustive briefs on [35] the matter.

Mr. Sokolov: I thought I had to have an exhaustive brief, because a lot of law had to be read to try to establish it. [36]

Certificate

I hereby certify that I am a duly appointed, qualified and acting official court reporter of the United States District Court for the Southern District of California.

I further certify that the foregoing is a true and correct transcript of the proceedings had in the above-entitled cause on the date or dates specified therein, and that said transcript is a true and correct transcription of my stenographic notes.

Dated at Los Angeles, California, this 19th day of May, A.D. 1950.

/s/ SAMUEL GOLDSTEIN,
Official Reporter.

[Endorsed]: Filed May 19, 1950.

[Title of District Court and Cause.]

CERTIFICATE OF CLERK

I, Edmund L. Smith, Clerk of the United States District Court for the Southern District of California, do hereby certify that the foregoing pages numbered from 1 to 130, inclusive, contain the original Petition for Removal; Amended Complaint for Injunction, Unfair Competition and for an Accounting and Damages; Notice of Motions to Dismiss and to Strike from Amended Complaint and Memorandum of Points and Authorities; Plaintiffs' Statement and Answering Memorandum of Points and Authorities in Opposition to Defendant's Motions to Dismiss and to Strike from Amended Complaint; Defendant's Closing Memorandum in Support of Motions to Dismiss and to Strike from Amended Complaint; Defendant's Supplemental Memorandum in Support of Motions to Dismiss and to Strike from Amended Complaint; Order of Dismissal; Notice of Entry of Dismissal; Notice of Appeal; Order Extending Time to Docket Appeal; Designation of Contents of Record on Appeal; Designation of Additional Contents of Record on Appeal and Order Extending Time to File Record and Docket Appeal which, together with original reporter's transcript of proceedings on January 30, 1950, transmitted herewith, constitute the record on appeal to the United States Court of Appeals for the Ninth Circuit.

I further certify that my fees for preparing and certifying the foregoing record amount to \$2.00 which sum has been paid to me by appellants.

Witness my hand and the seal of said District Court this 22nd day of May, A.D. 1950.

EDMUND L. SMITH,
Clerk.

[Seal] By /s/ THEODORE HOCKE,
Chief Deputy.

[Endorsed): No. 12554. United States Court of Appeals for the Ninth Circuit. Thomas G. Chamberlain and Central Hanover Bank & Trust Company as Successor Trustees under the Last Will and Testament of Samuel L. Clemens, deceased, Mark Twain Company and Clara Clemens Samosoud, Appellants, vs. Columbia Pictures Corporation, Appellee. Transcript of Record. Appeal from the United States District Court for the Southern District of California, Central Division.

Filed May 23, 1950.

/s/ PAUL P. O'BRIEN,
Clerk of the United States Court of Appeals for the
Ninth Circuit.

United States Court of Appeals
for the Ninth Circuit

No. 12554

THOMAS G. CHAMBERLAIN and CENTRAL
HANOVER BANK & TRUST COMPANY as
Successor Trustees Under the Last Will and
Testament of Samuel L. Clemens, deceased,
MARK TWAIN COMPANY and CLARA
CLEMENS SAMOSSOUD,

Appellants,

vs.

COLUMBIA PICTURES CORPORATION, a
Corporation, DOE ONE, DOE TWO and DOE
ONE CORPORATION,

Appellees.

POINTS ON WHICH APPELLANTS INTEND
TO RELY, AND DESIGNATION OF
RECORD

To the Clerk of the Above-Entitled Court:

The appellants intend to rely on the following points:

1. The trademark "Mark Twain" is a valid trademark under the laws of the United States, and that Appellants have stated a cause of action against the Appellees for infringement of the Federal Trademark Act.

2. That Appellants have stated and alleged a cause of action for unfair competition, and the Dis-

trict Court was in error in dismissing Appellants' cause of action upon the ground and for the reason that the amended complaint failed to state a claim upon which relief could be granted.

The appellants designate the following portions of the record, proceedings and evidence, which is material to the consideration of the appeal in the above cause:

1. Plaintiffs' Amended Complaint for Injunction, Unfair Competition and for an Accounting and Damages.

2. Defendant's Notice of Motions to Dismiss and to Strike from Amended Complaint and Memorandum of Points and Authorities.

3. Plaintiffs' Statement and Answering Memorandum of Points and Authorities in Opposition to Defendant's Motion to Dismiss and to Strike from Amended Complaint.

4. Defendant's Closing Memorandum in Support of Motions to Dismiss and to Strike from Amended Complaint.

5. Defendant's Supplemental Memorandum in Support of Motions to Dismiss and to Strike from Amended Complaint.

6. Order of Dismissal, dated February 7, 1950, signed by James M. Carter, District Judge of the above-entitled Court.

7. Reporter's transcript of hearing of Appellees'

(defendant's) motion to dismiss the amended complaint, said hearing having been had on January 30, 1950.

8. Notice by Clerk of Entry of Judgment, dated February 8, 1950.

Notice of Appeal. Clerk's Certificate.

Dated: May 31, 1950.

/s/ HARRY E. SOKOLOV,
Attorney for Appellants.

Affidavit of Service by Mail attached.

[Endorsed]: Filed June 1, 1950.